

# The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. -- James Monroe

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## Foreign Activities Of U. S. Revamped

Crowley Heads New Organization to Control All Phases of Economic Warfare

### TO PLAY VITAL WAR ROLE

Will Mobilize All Economic Weapons to Strike Foe and Strengthen Allies Throughout World

In one of the most sweeping reorganizations since the streamlining of the War Department, President Roosevelt a few days ago brought all foreign economic activities of the government under a centralized head and into a single organization. He created the Foreign Economic Administration and made Leo Crowley director of the new organization. Thus, the Lend-Lease Administration, the Office of Economic Warfare, the Office of Foreign Relief and Rehabilitation Operations, the Office of Foreign Economic Coordination and the subsidiaries of the Reconstruction Finance Corporation engaged in foreign economic activities, were abolished and their functions taken over by the new organization.

The purpose of this reorganization was clear. Under the stress of war, the economic fields into which the government has entered have been multiplied manyfold. As new needs have arisen and new problems developed, agencies have been created to deal with each one. Frequently, there has been overlapping, duplication, and conflicts of authority. Efficiency has been impaired. Now most of the overseas activities of the government have been brought together in a single organization.

### Foreign Economic Activities

It is almost impossible to visualize the nature and extent of America's economic activities in all parts of the world. In a single week, for example, ships leave American ports for such distant points as ports located in Britain, Russia, China, India, Australia, New Zealand, loaded with a quarter of a billion dollars' worth of lend-lease goods—planes and tanks, locomotives and gasoline, beans, dried eggs, and powdered milk.

Scattered throughout North Africa, in Sicily, and in Italy, representatives of the United States government are now busy distributing food and clothing to natives, as part of the relief and rehabilitation program of this country. In all the neutral nations of the world, our agents are at work buying materials of all kinds—materials which we need for war and materials which we want to prevent Axis agents from obtaining.

These far-flung economic activities have resulted in many quarrels and feuds. The dispute a few weeks ago between Vice-President Wallace and Secretary of Commerce Jones was largely the result of differences of opinion on this subject. Mr. Wallace was head of the Bureau of Eco-

(Concluded on page 6)



ACME  
LONG MAY IT WAVE! Marine Lt. Edward Snell shows his six-year-old son his American flag, the first to be raised over Guadalcanal. Over his knee is draped the Japanese flag that was torn from the staff to make way for the Stars and Stripes.

## Loyalty Among Friends

By Walter E. Myer

If your best friend knew of the worst thing you have ever said about him, would he still be your friend? Probably relations would at least be somewhat strained. There are moments of irritation when we are inclined to speak harshly of others and our friends do not always escape our criticisms. Or we may be in conversation with someone who makes unflattering comments about a friend of ours, and we may weakly agree and add a word of our own, simply because it is easy to go along with the current. There are a few close-lipped individuals who control their emotions and who rigidly guard their speech, but these, unfortunately, are exceptional. Most of us heedlessly pass judgments upon our associates and toss reproaches about with little consideration of possible consequences. As a result many a friendship is needlessly broken.

One can usually avoid discord by following two rules of conduct. First, discipline your tongue. Do not engage in petty gossip and faultfinding. If others are making unfriendly comments about someone you know, keep out of the discussion. Don't say anything which, if quoted, would injure or anger the person who is being discussed. I do not mean that you should always refrain from adverse criticisms. There are times when you will wish openly to condemn practices of others. You may very properly take a strong stand in such a case. But don't make slurring remarks behind a person's back when you would not say the same thing to his face. Criticize only when there is good reason for doing so. Do not heedlessly or capriciously enter a quarrel or make an enemy.

The second rule is that you should not take too seriously the thoughtless criticisms which a friend may make of you. If the friendship is on a solid foundation it should not be disturbed by an unimportant incident. You know that you sometimes say unpleasant things about people whom you really like and whose friendship you would not want to lose. You may assume that those who may at times criticize you may nevertheless continue to regard you highly. If you will keep these facts in mind you will establish friendships on a firm basis—friendships which will not be shaken by trifles. If one permits himself to be deflected from the enjoyment of friends by trivial acts and occurrences, he will be without the very great benefit which comes from long-time and loyal friendships. It is a fine thing to have a few friends whom you will stand by loyally through thick and thin, ignoring minor shortcomings and appreciating larger virtues.

## German Home Front Is Closely Watched

Many Signs of Sagging Morale Among People Noted as War Enters Fifth Winter

### DEAL WITH GENERALS OUT

Prussian Militarism Must Go Along with Nazi Tyranny, Both Roosevelt and Churchill Make Clear

As the world stands on the threshold of the fifth winter of war, the forces of the United Nations are everywhere on the offensive. In the east, Germany has been pushed back to the Dnieper River, back roughly to where she stood after her first great campaign in Russia (see page 2). In the south, a firm foothold has been established and the march toward Germany herself has begun. Before many months, perhaps even weeks, have passed, other fronts will have been opened, and the armies of the Allies will be converging upon the heart of Nazidom.

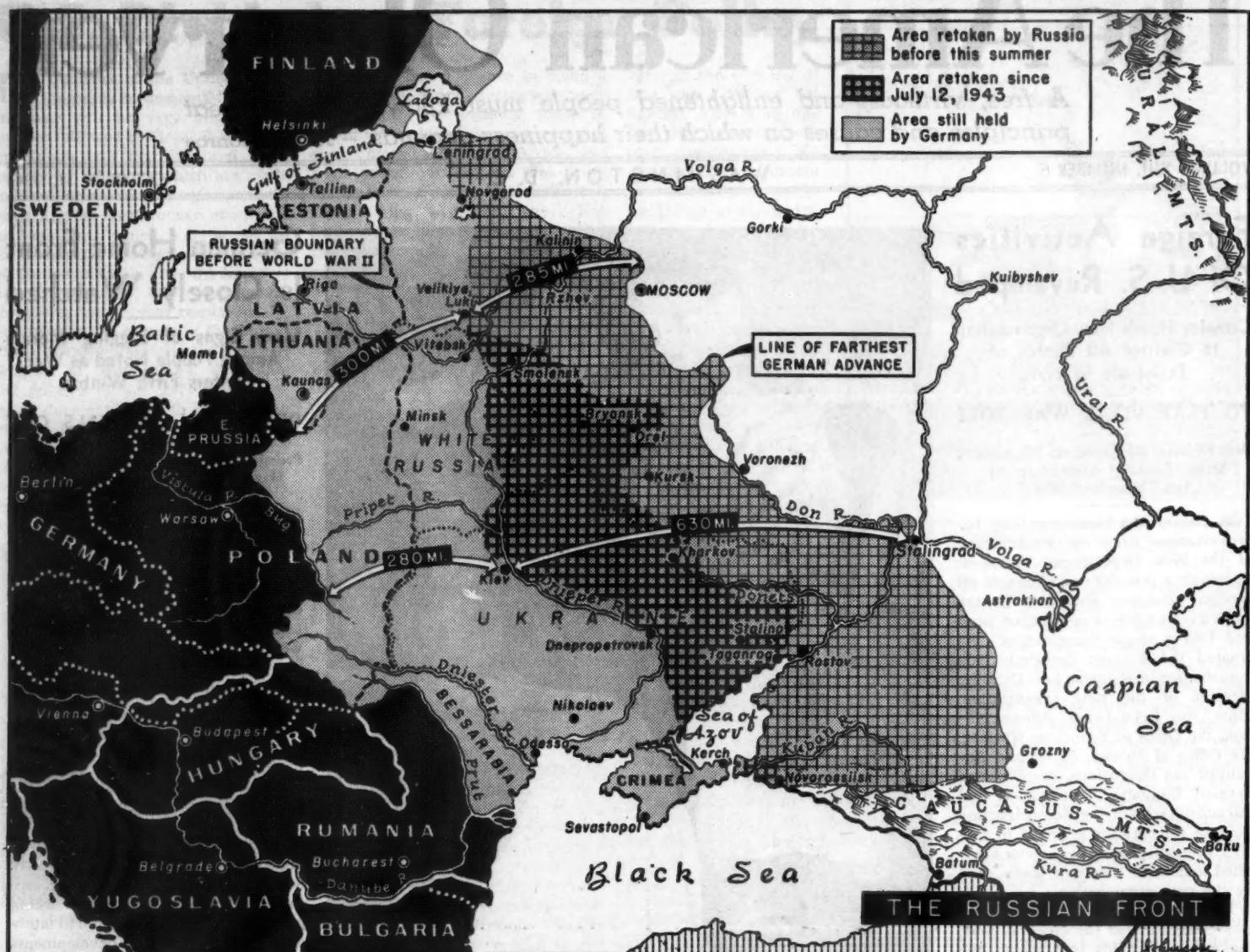
Almost as important as the military operations which are now slowly but surely destroying Nazi power are the developments which are taking place inside Germany. Unfortunately we cannot follow these developments as closely as we can a military campaign. We cannot gauge their importance; we cannot measure their progress by looking at a map. Many of them are intangibles and could not be assessed accurately even if we had more facts than the few which trickle out of Germany into neutral countries and thence to us.

### Nazi Home Front

But we do know that the duration of the war will depend in no small measure upon what happens on the German home front. If the civilian population of Germany remains firm in its determination to support Hitler, to produce weapons for the armies, to endure the sacrifices which the war places on them, the armies may fight on much longer than they would if the home front should collapse. The collapse of the home front in 1918 was largely responsible for the defeat of Germany in the First World War.

The fifth winter of war will find the German people far less optimistic about the outcome of the war than previous winters. Despite the propaganda which the newspapers and radios pour out, they must have misgivings about the future. They know that their armies in the east are being pushed back toward Germany. They know that the Allies have landed on the continent. They know that their cities have been bombed mercilessly, and that dozens of their cities have been largely evacuated. They see their food supply diminishing. They will have probably 50 per cent less than in previous winters. Their working hours are increasing until many of them are now forced to put in 60 or 70 hours a week.

(Concluded on page 7)



## The Russian Front After More Than Two Years

A YEAR ago this week, the Battle of Stalingrad was reaching its mighty climax. For nearly two months, one of the greatest struggles of all human history had been waged in and around the key city on the Volga River. Before the Germans finally yielded, the battle seesawed back and forth, with each block, each street, each factory sharply contested. If Stalingrad had fallen, the Nazis would have been astride the great commercial artery of the Volga, and thus would have been able to halt the supplies which Russian armies were receiving over that route. They would have had the oil of the Caucasus within their grasp.

So confident of victory was Hitler last year at this time that he made his usual bombastic speeches to his people. It was on September 30, 1942, that he promised not only to take Stalingrad but assured his people that all the fronts were unshakable:

Our enemies believe that some sort of expedition lasting nine hours like the Dieppe raid is an outstanding and most encouraging sign of victorious action. If we advance 1,000 kilometers, that is nothing. If we advance to the Don and finally reach the Volga, that means nothing. If we advance to the Caucasus, if we occupy the Ukraine, if we take in our possession the Soviet coal, if we take 65 to 70 per cent of all Russian iron, if we get the greatest grain country of the world, if we secure for ourselves the gasoline sources there, that again is nothing. . . . The occupation of Stalingrad, which will also be concluded, will become a gigantic success. And you can be of the firm conviction that no human being shall ever push away from that spot.

I can assure Mr. Churchill that regardless of where will be the next place he will choose, he will be able to speak of good fortune if he will be able to stay on firm land for a mere nine hours.

We shall be in the lead with our oldest ally, Italy. Our U-boats are succeeding beyond all expectations. That will not change.

I can tell the home front today: You may be fully reassured that the entire front, whether in the east, west, north, or south, stands unshakable.

A glance at the map above shows how drastically the entire war picture has changed since the Battle of Stalingrad. In less than a year's time, the eastern front is not at Stalingrad, but at Kiev, 650 miles to the west. It is not on the Volga River, but on the

Dnieper. It is not the Russians who are now on the defensive, with their backs to the wall, but the Nazis. Even now they are withdrawing from territory they seized two years ago, during their initial drive against the Soviet Union.

The Russian front is still by far the most important battle front of the entire war. It is in the east that far more German divisions—many times more—have been engaged than in all the other theaters of operation. It is Russia which has dealt the most crippling blows to the Nazi mechanized war machine. It is the Russians who, by their victories of this summer, have removed all doubt as to the outcome of the war and made certain the doom of the Nazis.

This summer's Russian offensive is notable for more than one accomplishment. Not only has it insured ultimate German defeat, but it demonstrates that the Red Army is strong enough to wage a spectacularly successful offensive in the summer. Heretofore, the Russians have assumed the offensive only during the winter, when weather conditions are more favorable to them than to the Nazis.

In the offensive of 1941, the Nazis overran Russia with the same lightning speed with which they overran Poland, the Low Countries, the Balkans, and France. Their attack began on June 22, from the central part of prewar Poland. As the summer wore on, they conquered most of the Ukraine, pushing the Russians back to the interior of the country. Their armies in the north reached the gates of Moscow, where the decisive battle of the 1941 campaign was fought, as the decisive battle of the following summer was fought at Stalingrad.

By failing to take Moscow in 1941, the Germans probably lost their chance to win the Russian campaign. That winter the Red armies took the offensive and won substantial victories over the Nazis, although they were unable to dislodge the enemy from most of their vital defense positions.

The second summer offensive of the Nazis was directed mainly at the southern front, designed to gain control of the Volga at Stalingrad and to seize the Caucasus. If this campaign had been successful, and if Rommel's armies had reached the Suez Canal, as they threatened to do in the summer of 1942, there would have been danger of the European members of the Axis joining hands with the Japanese, in the Middle East. The Battle of Stalingrad removed that danger and gave the Allies time to mount their own offensives.

Hitler's 1943 summer offensive was stopped almost before it began. A few days after it was launched in July, the Russians started their own offensive which has gained momentum with each passing week.

At no time in the Russian war has Hitler been able to destroy the Russian armies, an achievement which was essential to victory. As in the Napoleonic wars, the Russians have traded space for time. They have retreated in order to save their armies and in order to gain time to reorganize them and launch their own counteroffensives.

How much farther the Russians will be able to carry their present offensive is one of the most important questions of the war. It is impossible to determine whether the Germans will undertake to make a final stand at the Dnieper or whether they will retire to the "inner fortress," somewhere in Poland. While Hitler's armies in the east have suffered staggering blows, they have not been destroyed. The Red Army has not yet been able to deal the crushing blow which would end German resistance in the east. Just as the Nazis were able to push their armies hundreds of miles into Russian territory without defeating Russia, so the Red Army may march ever westward and still not win the decisive victory until Nazi military might is broken. That is the great test of Russia's military power.

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## THE AMERICAN OBSERVER

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We want to make this section of the paper a page of opinion—not merely the opinion of the Walrus but of readers of THE AMERICAN OBSERVER. We hope to have contributions from teachers and students. If at any time the Walrus expresses a point of view with which you do not agree, please feel free to state your ideas on the subject. Sometime a question may occur to you, in which case we hope that you will send it to us and we will do the best we can to answer it in this column. Ideas which you may have will be welcome even though they relate to subjects which have not been treated. This page may then reflect a wide variety of opinion, and it may become truly thought-provoking.

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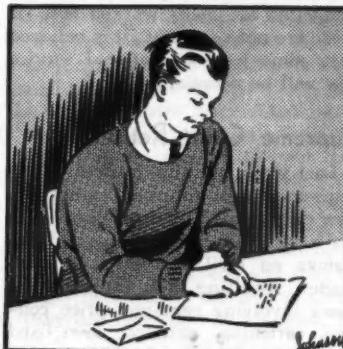
We have already had a few letters taking issue with statements which have been made in this column or elsewhere in THE AMERICAN OBSERVER. One comes from a teacher in Mahanoy City, Pennsylvania, who objects to a statement made some time ago that "... the Republicans turned against the League and kept the United States out." The writer of the letter makes the point that the Republicans did not oppose a League of Nations but that instead they opposed the League as recommended by President Wilson. She says:

The Senate was divided into four groups on the issue of ratifying the Treaty of Versailles, the signers of which would automatically become members of the League, and many objected to certain articles of the Covenant of the League. Wilson's henchmen formed the first group who were willing to vote for the treaty with no changes in the Covenant (25 Democrats and one Republican); the second group desired mild reservations and included the rest of the 47 Democrats and a few Republicans; a third group demanded drastic changes in order to guarantee what they called the "sovereignty" of the United States—most of the Republicans; the fourth group, the so-called "irreconcilables" about 13 to 15 in all, all but three of whom were Republicans, refused to vote for the Covenant under any conditions. After more than two months of arguing, the Lodge Resolutions were

submitted. Wilson disapproved, and the final vote was 42 of the 47 Democrats obeying Wilson's dictate to defeat it, and this vote, combined with the 13 irreconcilables, made it 55-39.

It is true that the Republicans supported the League as modified by the Lodge Resolution. The League as set up at the Peace Conference provided that all members should agree in advance to guarantee the territory of every other member and to go to war if necessary to prevent territorial aggression by any nation. The Lodge Resolution eliminated that provision. It left the League chiefly a consultative body. It prescribed many duties and obligations of the members of the League, but it did not guarantee common action against an aggressor.

It was because the Republicans op-



posed a strong League; that is, a League committed to the protection of all its members, that THE AMERICAN OBSERVER spoke of their having defeated the League of Nations. We did not wish to imply by the statement that they acted either wisely or unwisely in taking this action.

It would have been better, however, if the article in this paper had been more specific about the positions of the two parties. We therefore welcome the letter setting forth the facts in greater detail.

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Another letter which we have received is from a student in Philadel-



The League of Nations Palace in Geneva, Switzerland

phia who thinks that the Walrus, September 20, was unfair in its criticism of PM's argument about the relationship of casualty lists to a negotiated peace. This student comments as follows:

My attention was attracted to your article about PM, for I also read this wonderful paper. I read both your article and PM's article and my answer to the question put forth in the article is an emphatic "Yes," our war casualties and a negotiated peace are very much related. I would like to express my feelings on the subject by quoting from a two-sentence comment I wrote for an assignment in American History.

"It is true enough that there were great casualty lists in the Civil War, but I think the Walrus has mistaken what PM meant. I read the mentioned article and my interpretation was that if we give the Axis a negotiated peace, this 'peace' will only give them a breathing spell so that they may prepare for another war that will bring us even greater casualty lists."

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A sharp difference of opinion has developed concerning the treatment which should be accorded to King Victor Emmanuel of Italy. Should the Americans and the British keep him in power after they have freed Italy from the Germans, or has he forfeited the right to leadership of the Italian people? Two Italians now in the United States, Gaetano Salvemini and George LaPiana, have written a book *What To Do With Italy* (New York: Duell, Sloan & Pearce, Inc. \$2.75), in which they take the position that the king no longer deserves, and no longer has, the confidence of the Italians. The authors voice their opinion as follows:

Are the Italian people disposed once more to entrust the monarchy with the guardianship of their reconquered liberty and to let the monarchy speak for the new Italy?

It is admitted by all, whether friends or enemies of the House of Savoy, that by becoming the vassal of Mussolini and the servant of Fascism, the Italian monarchy has lost its prestige. The endless jokes, which made the rounds in Italy and were so gleefully reproduced in the American press, about the diminutive king holding the bag for the Duce, reflect the low level reached by the monarchy in the eyes of the Italian people. It is true that now the American newspapers, while multiplying with subtle ingenuity the jokes about Mussolini and fleeing Italian soldiers, have ceased altogether to practice their wit on the Italian king. But as far as the Italians are concerned, there is no reason to believe that they have changed their minds about the king and his authority. Nothing has happened lately to encourage such a change. If anything, the resentment and disgust of the Italian masses must have reached a more acute stage under the weight of all the calamities and misery of this last period. Military defeats, loss of the colonial empire, German control of the administration, of the police, and of the economic life of the country, privations and suffering beyond endurance, and finally, the bombing of cities and the expectation of worse—these are bitter fruits of the Fascist regime that the Italian people can see.

This inscription is found on the tombstone of an Army mule named Maggie:

"In memory of Maggie, who in her lifetime kicked one general, four colonels, two majors, 10 captains, 24 lieutenants, 42 sergeants, 454 privates, and one bomb." —CAPPER'S WEEKLY

It is inconceivable that this people,

crushed by the most disastrous humiliations and now forced to fight and die for the victory of arrogant Nazi masters whom they hate, can still be counted on to have faith in the monarchy and to expect from it salvation and guidance. A monarchy is not like a political party in a democratic country. A party may fall into disrepute and lose its prestige because of the venality or the mistakes of its leaders but, by changing men and programs, it may regain prestige and power and eventually atone for its past errors. Neither is it like the old absolute monarchies in which the king could do no wrong. A constitutional monarchy is supposed to be the untarnished symbol of the law, above all political parties and groups. Once a constitutional king has betrayed his sacred duty, once the ideal has been desecrated by gangsters in the gaudy uniforms of state ministers, marshals, generals, and whatnot, once the symbol has become a tragic caricature, the butt of jokes and epigrams, it cannot be restored to its previous state of honor and respect. Its prestige is gone forever.

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On the other hand, Count Carlo Sforza, to whom reference was made in this column two weeks ago, takes the position that it may be well for the time being to recognize the government of King Victor Emmanuel and Badoglio. Count Sforza thinks no more of the King than Gaetano



Victor Emmanuel III

Salvemini and George LaPiana do. He declared in a recent address that "the fight today, however, is not against the monarchy so much as it is against the Germans, for when the Germans are defeated the Italian people will be able to select their own form of government."

Count Sforza goes on to say that so long as the government of Italy is "loyally engaged in the task of fighting and defeating the Germans and devotes all the resources at its disposal to that struggle, it may be dangerous now to weaken its position or hamper its work of fighting for the liberation of Italy from the German invasion."

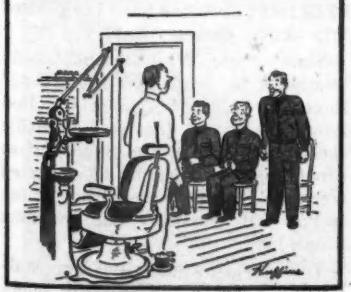
—THE WALRUS.

"We finally found out what's become of those pieces of chicken that have been disappearing," the head chef reported to the manager.

"Fine! What happened to them?"

"That new green cook has been using them to make chicken salad!"

—MONITOR



"Do you mind if we just watch, sir? Our sergeant's coming in for an extraction."

HUFFINE IN COUNTRY GENTLEMAN

# The Story of the Week

## Italian Front

Last week Allied forces were fighting their way toward Rome after having occupied Naples and Foggia. Retreating German troops were reported strengthening their lines for a stand around the Italian capital. But behind the battle lines, still more important developments were taking place.

Meeting on the island of Malta, General Eisenhower and other United Nations military leaders discussed with Premier Badoglio Italy's future in the war. The Italians were aware that surrendering to the Allies would not take them out of the war. Whether or not they will actually declare war on the Germans is still an unsettled question. At the Malta conference, it was the practical problems of finding the best use for Italian ships, soldiers, and equipment which were discussed. With Premier Badoglio's help and cooperation, numbers of Italian troops have already been sent into action against the Germans. Now it is expected that many more will reenter the conflict on the United Nations side.

As a further step toward pitting all of Italy's resources against the Nazis, Count Carlo Sforza will soon return to Italy to sponsor a pro-Alied coalition of Italian political parties. The former foreign minister of the Italian republic plans to set up a national committee to unite the people of Italy in support of the war against the Germans.

Count Sforza, whose plans have been approved by our State Department, will remain independent of the Badoglio government but will collaborate with it so long as it works for Allied victory. He feels that the future government of Italy should not be discussed until the end of the war, but refuses to accept a post in Badoglio's cabinet because of its previous collaboration with fascism.

## Manpower Problem

More than the fate of the nation's draft-age fathers was at stake as the Senate continued its debates over the bill introduced by Senator Wheeler to stay the induction of men with pre-Pearl Harbor children. The discussions reopened old and never finally settled questions about our basic policy on the wartime use of manpower.



The United States Supreme Court

ACME

Although War Manpower Commissioner Paul V. McNutt has reported that the nation has no overall shortage of workers, it is equally true that serious local shortages of labor have been impeding the output of key industries. This was emphasized by Bernard M. Baruch's survey of aircraft and shipbuilding establishments on the Pacific Coast. At the same time, there are charges of labor hoarding in some areas.

It is fully recognized that the needs of both the military and production fronts must be met. If at all possible, the administration hopes to do this without resorting to a national service law which would assign every adult citizen to the job—whether civilian or military—in which he could give maximum service.

The Senate group which favors continued deferment of fathers has two solutions to offer for the problem of meeting military needs. First, it contends that government and industrial deferments should be re-examined so that unjustified deferments may be eliminated. The second argument is that our strategists should concentrate more heavily on winning the war by air power, and thus remove the need for a larger army.

The draft of fathers, which has now begun officially in spite of the unfinished action in Congress, is designed to fill a double purpose. It will supply needed men to the Army, and at the same time, force many

fathers into war work. In areas of such shortage that this will not meet production needs, plans for labor budgeting are being worked out. If these are not successful, it is believed that some kind of national service law will be necessary.

## Supreme Court Returns

Last week the nine justices of the Supreme Court returned to begin a new eight-month term. Behind them lay a session in which important decisions on civil liberties had been made. Awaiting their attention are cases involving rent and price control, rationing, antitrust laws, and regulation of labor. It is likely that they will decide the question of portal-to-portal pay for the United Mine Workers sometime this season.

Before the court recessed last spring, it established the right of Jehovah's Witnesses to distribute the literature of their faith under the constitutional guarantees of freedom of speech and freedom of the press. Another important civil liberties case decided during the last session was that of a naturalized citizen of communist beliefs. The court ruled that he could not be deprived of citizenship unless he actively attempted the overthrow of the government by force.

There have been no changes in the membership of the court since last year. All but two of the justices—Chief Justice Harlan F. Stone and Associate Justice Owen J. Roberts—received their appointments during the Roosevelt administration. Chief Justice Stone was appointed to the Court by President Coolidge in 1925, and was named Chief Justice by Mr. Roosevelt, and Justice Roberts by President Hoover in 1930.

## Peace Feelers

As Allied victories multiply throughout the world, so do the fears of Hitler's satellite allies. In three countries which have been Axis collaborators from the beginning, there have been recent events showing how anxious the people are to throw off their ties with Nazism.

Finland, after having unsuccessfully appealed to the United States and Britain to help her arrange a peace with Russia which included retaining her 1939 frontiers, indicated that she was ready to accept Soviet terms in exchange for peace. While

negotiations with Moscow have not yet begun, it is expected that ex-Foreign Minister Kuno Justi Paasikivi will soon confer with Russian representatives.

In Rumania, the government of Premier Ion Antonescu, which stands for continued support of Germany, has been menaced by plots and public demonstrations. As the Russians have continued their march through the Nazis' Dnieper defenses, both Rumania and Bulgaria have shown signs of increasing eagerness to get out of the war. Sabotage and noncooperation when Germany asks for troops have warned the Nazis of their feelings. Both countries, bordering as they do on Yugoslavia, fear postwar



reprisals from that country, which has so steadily resisted German pressure.

## Yugoslavia Fights

If leaders of the United Nations decide to invade Hitler's fortress through the Balkans, they will find strong support waiting for them on their arrival. Patriot armies in Yugoslavia have been engaging the Germans in bitter battles up and down the Adriatic seacoast. So effective have their attacks proved that about 25 German divisions have been called into action against them.

Since these Nazi troops would otherwise be employed against our forces in Italy or against the Red Army in Russia, this is a valuable contribution. It is also important as proof that the people of occupied territories can be counted on for effective aid wherever our invading forces land.

The Yugoslav guerrillas are challenging German overlordship effectively in spite of their own very serious handicaps. Like all the other



Senator Burton K. Wheeler discusses the manpower problem and the drafting of fathers with Bernard M. Baruch, administration adviser on manpower problems.

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subjected peoples, they have been weakened by bombings, merciless discipline, and lack of food. In addition, they have the disadvantage of disunity in their own ranks.

The estimated 300,000 Yugoslav guerrillas fight under two rival leaders—General Draja Mihailovich and Josip Broz. The latter, known as "Tito," accuses the Chetnik leader of collaborating with the Germans. His forces are concentrated in the northern parts of the country, while Mihailovich's fight in the south. King Peter, the young ruler of Yugoslavia, is now working to bring the two leaders together to settle their differences.

### Victory Date

When Winston Churchill made his recent report to the British people, he warned that although the United Nations are now reaping victories on most of the world battle fronts, the hardest part of the war still lies ahead. This view has been underscored by three American senators just back from a 40,000-mile air tour of the war zones.

Senators Russell of Georgia, Mead of New York, and Brewster of Maine estimate that final victory will not be ours until at least 1945. The collapse of Germany may come at any time, according to their view, but Japan will prove much harder to beat than we believe. The senators learned from Chinese sources that the Japanese have been building twice as many planes as the United States believes, and that they have doubled their shipbuilding capacity since the beginning of the war.

Along with their predictions, the senators brought back a series of recommendations for American action. Among their suggestions were: (1) that the United States build up its diplomatic force to equal that of the British, (2) that we should take steps immediately to acquire bases in other countries for air power and increase our aviation industry, (3) that we utilize British and Russian sources of petroleum to a greater extent, instead of depleting our own limited reserves as we have been doing, and (4) that we make careful plans now to prepare for the collapse of civil government in Germany.

### War News

Do we get as much war news as is possible without revealing military secrets or information helpful to the enemy? The Office of War Information's Newspaper Advisory Committee thinks not. This group, composed of 12 newspaper editors and publishers, has lodged a protest against the



JAP "HOSPITAL" AT KISKA. This filthy hovel, warmed by a crude stove, was the Japanese hospital found by the invading Allied force.

Army and Navy for withholding news the public should have in order to understand the progress of the war.

"If there is any complacency or letdown in the war effort on the part of the American people," the committee said, "it is not due to any lack of patriotism or desire for easy victory, but rather to the absence of full and necessary understanding."

This statement represented another step in Elmer Davis' latest drive to improve the quality of war news given to the American people. After a consultation with President Roosevelt, Davis secured a promise that after this, Allied attacks will be announced more quickly, and that casualty lists will be released as soon as they are received and checked.

### New Ambassador

As plans progressed for a meeting of American, British, and Russian representatives in Moscow, President Roosevelt announced that a new ambassador had been chosen to replace Admiral William H. Standley in that capital. The Russian post will go to Averill Harriman, pending Senate confirmation.

Like the new undersecretary of state, Edward R. Stettinius Jr., Harriman has a background of service in the Lend-Lease Administration. Until his new appointment, he represented that agency in London. In the course of his duties he had twice made trips to Moscow.

Harriman's appointment is regarded as another attempt to establish friendly relations before the tripartite conference begins. Whereas Admiral Standley had angered the Russians by publicly stating that the



AMBASSADOR TO RUSSIA RESIGNS. Admiral William H. Standley (center), who has been replaced as U. S. ambassador to the Soviet Union by W. Averill Harriman.

### News in Brief

The famous yacht which used to take President Roosevelt on his fishing trips is now in service for victory. It has been taken over as a Coast Guard vessel. Although the class ship into which the converted yacht would fit ordinarily carries geographical names beginning with "B" the Presidential craft may keep its old name "Mayflower."

Learning a foreign language no longer means years of study for American soldiers. By means of phonograph records, cartoons, and simplified spelling, troops preparing for overseas duty can be taught the basic words and phrases of a foreign language in as little as eight hours. They learn to ask simple questions, give commands, and understand the probable answers the natives may give. The Army Education Branch is now equipped to teach the rudiments of some 30 languages, including Melanesian, Malay, Hindustani, and Cantonese.

The Russians have a novel plan for building up recaptured areas of their country. People outside the range of Nazi destruction "adopt" those in sections devastated by recent fighting and send them many of the things they need to get back in working order. As soon as Smolensk was liberated by the Red Army, the people of the Kuibyshev region began sending in trainloads of construction materials, machine tools, household utensils, and equipment for machine and tractor stations. Kuibyshev farmers also contributed 1,000 horses, 4,000 head of cattle, 10,000 goats, and 10,000 fowl.



History repeats  
SEIDEL IN RICHMOND TIMES-DISPATCH

Because of its small population and the length of time the war has been going on, Britain has been forced to adopt a rigid manpower policy. At the present time, two out of three people between the ages of 14 and 64 are in some form of work where the government has decided they are most useful to the war effort.

Out of the 16,000,000 men in the working population, 15,000,000 are in full employment in essential industry. Out of 17,000,000 women between 14 and 64, 7,750,000 are in the services or in some kind of paid employment. A million of the others are doing unpaid voluntary work, and most of the rest are employed in caring for Britain's 9,000,000 children. Many of the women in the nation's labor force are over 40 years old. Altogether, there are 1,600,000 women between 40 and 60 in essential employment.

Britain began drafting fathers long ago. Age, health, and occupation are now the only tests of whether or not a man shall be accepted for military service. There are about 1,500,000 fathers in the armed forces.

### The American Observer

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## U.S. Foreign Economic Program

(Concluded from page 1)

nomic Warfare, with vast operations in the economic field, and Mr. Jones, as head of the Reconstruction Finance Company, was responsible for the purchase of certain strategic materials. There was overlapping and confusion, and the President resolved the difficulty by transferring the foreign economic work of both to a new Office of Economic Warfare, headed by Mr. Crowley.

In the field, the confusion was frequently even greater than in Washington. In North Africa, for example, it was reported that no one knew who was boss and that agents of the Treasury, the Office of Economic Warfare, the Lend-Lease Administration, the State Department, and the Office of Foreign Relief and

per cent; China, India, Australia, and New Zealand, 13 per cent.

About 15 per cent of our total production of munitions goes into lend-lease; in certain categories, it is higher. For example, 17 out of every 100 bombers, 25 out of every 100 fighters, and 22 out of every 100 light tanks are sent to our fighting Allies. In the year beginning last July 1, it is estimated that 10 per cent of our food supply will be shipped out under the lend-lease program. Approximately one-fourth of all lend-lease shipments are made up of industrial supplies, including steel and other metals, machine tools, construction machinery, locomotives and railroad equipment, gasoline, fuel oil, and so forth.

Mr. Crowley's job will be to oversee this vast undertaking—to allocate the materials to the various countries and to see that they are sent out. All this work must be closely co-ordinated with military and political strategy. The flow of goods must be maintained so as to give the greatest possible aid to the Allied fronts where and when they are most needed. As long as the war lasts, lend-lease will be one of the major activities of the government.

Lend-lease is by no means a one-way transaction. As Mr. Stettinius pointed out while he was lend-lease administrator: "In all parts of the world American military and naval forces and our merchant marine have received every type of available commodity or service which could satisfy their needs." Food, clothing, equipment of all kinds, ammunition, barracks, airfields, and countless other goods and innumerable services have been supplied.

### Feeding Liberated Areas

The second big job of the FEA is that of feeding and providing relief for the regions liberated by our armed forces. This is the work organized by former Governor Herbert H. Lehman. The importance of this job cannot be overestimated for upon the efficiency with which it is handled will depend to a large degree the willingness of the peoples of Europe and Asia to cooperate with us. Here food is indeed being used as a weapon of war and the success of our military campaigns is directly dependent upon this program. The work of the United States is being coordinated with that of other of the United Na-

tions, now being organized, and in this international undertaking, Mr. Crowley's organization will play a conspicuous role.

Although Mr. Crowley will now take over the work of the Lehman organization, Mr. Lehman is not to be shelved. He is expected to head the United Nations food organization, now in the process of organization as one of the outcomes of the Hot Springs food conference of last summer.

The third job of the FEA consists of the work formerly done by the Office of Economic Warfare and includes the following principal activities:

**1. Export Control.** No goods may be shipped out of this country without an export license granted by the government, through Mr. Crowley's organization. Some 8,000 applications are filed daily and the FEA must determine which should be granted in order to help our war effort and which denied on the ground that they might result in valuable materials finding their way to the enemy through neutral countries.

Today there are some 11,000 foreign individuals and firms on our blacklist. American firms are forbidden to deal with them because they are considered friendly to the enemy. They use all sorts of ruses to obtain materials from the United States. A recent example shows the care that must be exercised in dealing with firms in foreign countries. A South American company suddenly sent rush orders to the United States for large quantities of a certain type of needle. On investigation it was found that the company was acting as an undercover agent for Hitler. The only factory which made that particular kind of needle in Nazi Europe had been completely destroyed by bombs, and the Germans needed the needles to manufacture tents, parachutes, and clothing.

**2. Strategic Buying.** Our economic warfare agents scour the globe to find strategic materials we need, and have located and purchased billions of dollars' worth of quartz, mica, rubber, platinum, industrial dia-

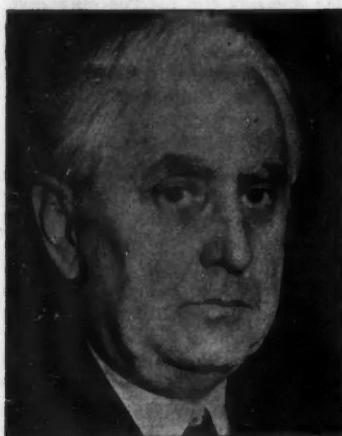
monds, and other vital materials. Frequently we are obliged to purchase goods in neutral countries even though we do not need them ourselves merely to keep the Axis from obtaining them.

Frequently we purchase goods from allied or neutral countries in order to bolster their economics. Their markets in the past have been with our enemies. For example, we are now buying a great deal of cotton from Peru, not because we need the cotton but because Japan was Peru's largest customer for cotton.

**3. Economic Analysis.** One of the principal functions of economic warfare is to know what the enemy needs, what he produces, where he gets materials lacking at home, and to hit him at vital points. Under Mr. Crowley's new organization, the research activities of the old Office of Economic Warfare will be continued. The research experts must be thoroughly conversant with the economic conditions and problems of all countries—allied, neutral, and enemy.

While Mr. Crowley and his Foreign Economic Administration is set up as an independent agency and not subject to the jurisdiction of the State Department, it is probable that the two agencies will work closely together. In order that our economic policies be coordinated with political and diplomatic programs, the two must work harmoniously together. Moreover, close cooperation will prove mutually advantageous, for the State Department has representatives scattered all over the world who are in a position to obtain facts and work closely with the government's economic program.

In order to carry out the reorganization plan and to coordinate all economic activities, a number of area directors have been appointed. These men will serve in the field and will be in charge of whatever economic programs are put into operation. These men, experts in foreign economic problems, will be in charge of all the activities of an economic nature in the regions to which they are assigned. Thus, instead of one man in North Africa in charge of minerals, another in charge of food, and still another in charge of lend-lease materials, each reporting to his own agency in Washington and each taking orders from it, one man will be responsible for all economic activities in that particular area.



Leo F. Crowley

Rehabilitation Operations, became so involved in disputes that the Army had to threaten to take matters into its own hands to prevent complete chaos.

Few men in the government have greater responsibilities than those which Mr. Crowley will shoulder in his new position. The President considers him "one of the best administrators in or out of government," and he will need all the administrative and organizing ability he possesses to handle his new duties efficiently.

### Three Principal Duties

The newly created Foreign Economic Administration will have three principal duties: (1) to take charge of all purchases of strategic materials abroad; (2) to direct all relief activities in liberated countries; and (3) to direct the supply of arms and other materials to our Allies. Any one of these jobs is a tremendous undertaking.

By taking over the duties of the Lend-Lease Administration, formerly headed by Edward R. Stettinius, Jr., (see page 8), the FEA will have on its hands one of the greatest supply problems of all time. Lend-lease materials include not only munitions of war but also industrial products and food for the fighting men of our Allies. From a mere trickle when the program was launched in March, 1941, the lend-lease outgo has become a flood of goods. We are now shipping supplies at the rate of more than a billion dollars a month. Since its beginning, we have sent more than \$15,000,000,000 worth of goods abroad. Of the total, Great Britain has received 45 per cent; Russia 25



ADMINISTERING LEND-LEASE will be one of the principal jobs of the Foreign Economic Administration, headed by Leo F. Crowley.



O.W.I. PHOTO  
As Europe is liberated, the task of feeding the people becomes ever greater.

# United Nations Watch German Home Front

(Concluded from page 1)

All these things the Germans know, despite the propaganda that is ladled out to them by Dr. Goebbels. To what extent military reverses and increased privations have sapped the determination of the people to fight on; to what extent it has caused their morale to sag, we do not know. We do know, however, that the Nazi government is taking unusual measures to prevent the home front from collapsing and to forestall defeat inside Germany even before the armies have been crushed on the field of battle.

### Wave of Terror

More and more, German propaganda is designed to bolster the morale of the people. More and more it is turning to a campaign of fear—fear of what will happen to them if they are defeated—hoping by this method to spur them on to greater effort. Instead of the bombastic rantings of the past, of an early victory and the fruits of world conquest, the papers are talking in terms such as these: "Never before has Germany been in an equally difficult situation as today, and never before have so many forces been mobilized against one country."

But the Nazi government is doing more than talking to insure the stability of the home front. It is taking no chances on disturbances and perhaps revolution. Terrorism, always one of the mainstays of the Nazi regime, has been intensified. The home front has been placed entirely under the control of Heinrich Himmler, arch-terrorist and head of the infamous Gestapo. Restrictions upon civilians have been tightened and violations are punishable by death. Reigns of terror are not usually inaugurated unless conditions are serious.

Nor is the Nazi terror confined to



© LOW

the citizens residing within the Reich. The ruthless wave of terror which has swept Italy since that country's surrender is seen as a warning to the other satellite powers of the Nazis. The burning of Naples, the slaughter of thousands of Italian civilians, and other acts of savagery are intended to show other peoples what will happen to them if they try to break loose from the Nazi chains.

There are also indications that the Nazis are trying to intimidate the Catholic Church. With Rome now in German hands, Vatican City is surrounded and the Pope is held a virtual prisoner. Recently, a number of anti-fascist Cardinals were arrested by the Nazis, and there have been veiled threats of severe measures if the Catholic Church fails to prove amenable to Nazi wishes. Thus, in a dozen different ways, the Nazis are tightening their repressive measures both inside Germany and in the countries they control.

Whether the opposition to the Nazi



BLACK STAR

How is morale on the home front as Germany enters the fifth winter of war?

tyranny inside Germany is sufficiently strong and well organized to lead to an explosion is one of the things the outside world would like to know. Although all organized opposition, all labor unions, political parties, opposition newspapers, and every other group, have been suppressed for more than 10 years, it is known that many of the leading individuals and groups have continued to work underground for the overthrow of Hitler and his party. Whether they will come to the fore before the Allies invade Germany or await the invasion, as the opposition groups of Italy did, cannot be determined.

### Pressure from Outside

One of the most potent forces now working to undermine German morale on both the home front and among the soldiers is the propaganda now being disseminated in Germany from the outside, by radio and leaflet. Perhaps the best known of the anti-Nazi groups working from the outside is the National Committee of Free Germany, which was organized a few months ago in the Soviet Union.

The National Committee, which has received the unofficial blessing of the Russian government, is composed of war prisoners, some of them officers and some enlisted men, exiled politicians and writers. Affiliated with the National Committee is the Union of German Officers, with headquarters in Moscow, composed of generals and other officers captured during the Battle of Stalingrad.

Both these groups are using all possible avenues of propaganda to divide the German people from Hitler. They are urging the German people to turn Hitler and his Nazis out of power. They are telling them that defeat is certain and that Hitler is solely responsible for their present catastrophe. The German people and soldiers are told that they can have peace if they will overthrow the Hitler regime and renounce all its conquests.

In the United States and Great Britain, there are widespread misgivings about the organized German groups in Russia, the fear being expressed that they may be used to negotiate a peace with the Soviet Union before German military power has been completely destroyed. It is a fact that their relationship with the Soviet government is not too clearly

many is said to belong to the Junkers. The Junkers are highly militaristic, anti-social, and undemocratic. They are the background of the military clique, of Prussian militarism.

The Junkers supported Hitler and the Nazis because they saw in them an opportunity to overthrow the Republic, which they always despised, and to realize their own ambitions of military conquest. They, together with the leading industrialists and business elements, were largely responsible for bringing Hitler to power.

The Junker generals have not always seen eye to eye with Hitler since the outbreak of war. There have been frequent clashes between the two factions. They have often disagreed on strategy. There can be little doubt that they would gladly throw Hitler out if by so doing they could save their own position of power and influence in Germany. They would undoubtedly gladly make peace with the Allies if they could preserve the German army and their control of it.

That England and the United States are aware of the danger of such a maneuver on the part of the German generals is apparent by recent utterances of both Prime Minister Churchill and President Roosevelt. In his address to Parliament following his return from the United States, Mr. Churchill stated: "The Nazi tyranny and Prussian militarism are the two main elements in German life which must be absolutely rooted out if Europe and the world are to be spared a third and still more frightful conflict." And in Mr. Roosevelt's recent message to Congress, he said: "When Hitler and the Nazis go out, the Prussian military clique must go with them."

One of the big issues to be settled between the United States and England on the one hand, and Russia on the other, is the question of Germany's future military status. The United States and England are for the destruction of militarism, which means not only the Nazis but the Junker military caste as well. The Soviet Union's position is less clear and the existence on Russian soil of an anti-Nazi organization, with powerful Junker interests represented, has made the issue one of great importance.

EUROPEAN  
Can the United Nations uproot Prussian militarism along with Nazi power?

## Facts About Magazines

### The Nation

THREE months after Robert E. Lee's surrender at Appomattox, a new journal of opinion launched its first issue in New York. The new magazine was *The Nation*, now one of America's leading liberal publications.

Making its first appearance at the close of the Civil War, the little weekly confronted a stormy social scene where great changes were giving way to still greater ones. The war had ended slavery, but not the Negro question. The westward movement, with all its problems, was in full tide. Large-scale industry was coming into being as a social force.

*The Nation* built its platform around these facts. Its purposes included: (1) to discuss current affairs in the light of true democratic principles, (2) to work for equality among the laboring classes of the South, (3) to help in the advancement of the Negro, (4) to fix public attention on the importance of popular education, and (5) to give sound and impartial reviews of current art and literature.

From its founding in 1865 until the turn of the century, *The Nation* was edited by Edwin L. Godkin. Working with him was Wendell Phillips Garrison, son of William Lloyd Garrison, the famous abolitionist editor. Through the influence of the latter, the magazine took a strong stand on the rights of the Negro.

On many other issues, however, *The Nation's* views were not what would be called liberal today. It was against the idea of women voting, and held that if workers were granted an eight-hour working day, "the time is not far distant when all things will be common and grass grow in Broadway."

At the same time, *The Nation* denounced the corruption of monopolies which sprang up as the country became industrialized. It fought for civil service reform and for honest government on all levels. It stood out against jingoism or imperialism in any form.

With the coming of the First World War, *The Nation's* editorial policies swerved sharply to the left. Woodrow Wilson and all his internationalist aims met with enthusiastic support. So did the downfall of kingly authority, as revolutions flared in the nations of Europe.

What contributed most to *The Nation's* unpopularity was its attitude toward the Russian revolution. At a time when most Americans could think of no epithet more condemning than "bolshevist," *The Nation* was printing the new Soviet constitution and trying to justify the overthrow of the czar's government to the reading public. To add to its unpopularity, it had forsaken the anti-labor stand of earlier years. It came out in support of coal and steel strikers in 1919, and of the International Workers of the World, a radical labor federation of the time.

Oswald Garrison Villard, a relative of the famous Garrisons who had so

influenced the early days of *The Nation*, was then editor. He himself covered the Versailles peace conference, and representatives of his staff reported from all the world capitals.

Until the 1930's, *The Nation* stayed in the radical class. Then, with the election of President Roosevelt, it began to see in the New Deal a possible substitute for sudden and violent changes in our social institutions. At that time, Freda Kirchwey took over the editorship of the magazine, which she first shared with three other staff members. Miss Kirchwey is now sole editor.

Today *The Nation* stands for gradual attainment of liberal ends. It champions the views of Vice-President Henry A. Wallace, applauds the Russians and their contributions to the war effort, and expresses doubts about Winston Churchill's endorsement of the Four Freedoms.

Representative articles which have appeared in this magazine over the last few weeks include: "XXX and the FBI," by I. F. Stone, a denunciation of alleged violations of civil liberties by the FBI; "Cross-Currents in China," by Maxwell S. Stewart, an analysis of China's place among the United Nations; and "Russia and Labor Unity," by Harold J. Laski. The latter is an appeal for British and American workers to arrange an understanding with Russia in order to protect the coming peace.

*The Nation* ordinarily runs about five articles in which important questions of the day are analyzed. In addition, it features an introductory news and comment department called *The Shape of Things*. This reviews the facts of latest news and gives an editorial interpretation of them.

About a fourth of *The Nation's* pages are devoted to books and the arts. From the first, this magazine has made a specialty of reviewing. Reviewers are carefully selected because of special knowledge of an author's subject, or of a painter's or musician's work. As a result, *The*

September 25, 1943

**THE Nation**

**"Appetite First"**  
The Under Secretary of Agriculture Asyses  
Mr. Bromfield He Will Eat in February  
BY PAUL APPLEY

**Cross-Currents in China**  
BY MAXWELL S. STEWART

**XXX and the FBI**  
BY I. F. STONE

**Fascism Is Still the Crucial Issue**  
BY J. ALVAREZ DEL VAYO

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*Nation* is famous for its brilliant criticism.

Recently, a new department called *Political War* has been added. This department analyzes our political relations with enemy countries, with neutrals, and with our own Allies. Discussion is supplemented by reports on what the press is featuring in enemy countries and what the underground organizations of occupied territory are doing.



NEW UNDERSECRETARY OF STATE. Edward R. Stettinius, Jr., shown here with a Russian sailor, is regarded as a close friend of the Soviet Union.

### New Undersecretary of State

## Edward R. Stettinius, Jr.

THE man who serves as under-secretary of state always has a highly important job. But Edward R. Stettinius Jr., who has been appointed to succeed Sumner Welles, faces tasks of unusual importance.

He will probably accompany Secretary Hull to Moscow when the foreign ministers of the United States, Britain, and Russia meet. If the aging secretary is not well enough to undertake the trip, Stettinius may go alone. In either case, a good part of the responsibility for paving the way to a Roosevelt-Churchill-Stalin meeting will fall to him.

Back at home, the new under-secretary will be confronted by an equally challenging situation. Administrative processes within the State Department are said to be in a chaotic state. Key officials have had their work disrupted by rivalries and political differences.

It is believed that Stettinius, under whom the Lend-Lease Administration was a model agency, rarely criticized in or outside of government, will be able to straighten out these difficulties. Having no special cause of his own to advance, he is expected to fall in with Secretary Hull's leadership and concentrate on seeing to it that his policies are put into effect.

As lend-lease administrator, Stettinius learned many things about our Allies which years of talking to ambassadors might not have taught him. He learned what they have, what they need, and how they do business. He discovered their most pressing problems and talked to their key men. In the course of his duties, he also visited many of their capitals, including Moscow.

Since a large part of our lend-lease goods goes to the Russians, Stettinius is especially well versed in Soviet affairs. Moreover, as the man who sends them arms, food, and equipment, he is well liked by the Russian people.

To his duties at home, Stettinius brings long experience as an executive, both in government and in industry. He has been holding important Washington jobs since the early days of the New Deal. He has also filled some of the most influential

positions in the U. S. business world.

The business career came first. The son of a wealthy industrialist, Stettinius left college to take a job with the General Motors Corporation. He started out as a 40-cents-an-hour laborer in overalls, but took only seven years to become a vice-president of the corporation.

He first came to Washington as liaison officer for General Motors. Then he served a short term as liaison officer between the Industrial Advisory Board and the National Industrial Recovery Administration. In these capacities he demonstrated another talent which will stand him in good stead in his duties as a diplomat—the ability to smooth out conflicts and win friends in all circles regardless of political bias.

After his early Washington experience, Stettinius returned to private industry as vice-chairman of the United States Steel Corporation's finance committee. When he took the job, he knew nothing about steel. In two years, he had read everything on the subject and was revolutionizing the company's business procedures. Soon, at the age of 37, he was chairman of the board of directors.

In 1940, when the nation was beginning its program of national defense, Stettinius came back to Washington to become one of the first dollar-a-year men. He worked first on the National Defense Advisory Commission and then on the short-lived Office of Production Management. In 1941, he took over the administration of the lend-lease program.

Stettinius is a relatively young man, not yet 43, and as energetic as he is capable. His activities are not bounded by office hours—he often starts work at home at five in the morning and finishes it there at ten in the evening. Before the war, he spent much of his time with his wife and three sons. On a 500-acre farm in Virginia, they raised cattle and turkeys. These activities have been shelved for the duration, and Stettinius now finds his only relaxation in dinners with his family and an occasional movie.



Freda Kirchwey

